

FISCAL NOTE

HB 1378 - SB 1655

March 6, 2001

SUMMARY OF BILL: Makes various changes to the Industrial Loan and Thrift Companies Act, the Residential Lending, Brokerage and Servicing Act, (Mortgage Act) and to the Deferred Presentment Services Act. Among other things the bill does the following:

1. Consolidates all mortgage brokering activity under the Mortgage Act.
2. Adds a bond requirement for Tennessee Industrial Loan and Thrift registrants and increases the bond amount for Mortgage Act licenses and registrants.
3. Requires licensees and registrants to report the occurrence of events such as the felony indictment of an officer or director or the initiation of administrative proceedings by another state or governmental authority.
4. Authorizes the Commissioner to suspend or bar individuals from employment, management or control of licensees or registrants.
5. Removes from the Mortgage Act the 14-day notice requirement of the department's intent to conduct an examination.
6. Adds sections to both Acts relating to changes of control of licensees and registrants.
7. Makes technical amendments to both Acts relating to time periods for filing renewal applications, reporting changes of officers, affording hearing opportunities and record retention requirements.
8. Authorizes an increase in the examination fee under both Acts from \$175 to \$200 per day per examiner with a \$2,000 cap per year.

ESTIMATED FISCAL IMPACT:

State Revenues - Net Impact - Not Significant

Estimate assumes:

- a \$20,000 decrease in state revenues from an estimated 25 mortgage brokers, licensed under both the Industrial Loan and Thrift Companies Act and the Residential Lending, Brokerage and Servicing Act, who will abandon their registration under the Industrial Loan and Thrift Companies Act.
- examination fees will be increased from \$175 to \$200 resulting in an increase in state revenues of approximately \$20,625.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director